

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**CLERK'S OFFICE**

**NOTICE OF FILING**

**DOCKET NO. 2013-208-E**

**SOUTH CAROLINA ELECTRIC & GAS COMPANY - REQUEST FOR APPROVAL TO CONTINUE DEMAND SIDE MANAGEMENT PROGRAMS AND RATE RIDER AND FOR APPROVAL OF REVISED PORTFOLIO OF ENERGY EFFICIENCY PROGRAMS**

On May 31, 2013, South Carolina Electric & Gas Company ("SCE&G" or "Company") filed a request with the Public Service Commission of South Carolina ("Commission") for approval to extend the operation of its portfolio of demand side management programs ("Demand Side Management Programs" or "DSM Programs"). SCE&G also has requested approval of an annual rider which (i) maintains the same terms and conditions presently in effect concerning the recovery of costs associated with the proposed DSM Programs, the net lost margin revenue associated with its DSM Programs, and shared savings incentive mechanism for investing in such programs and (ii) modifies the opt-out requirements for industrial customers. This request was filed pursuant to S.C. Code Ann. § 58-37-20 (1976, as amended), Commission Regulations 103-819, 103-823 (1976, as amended), and other applicable law and rules. The Company is not seeking any change in the existing DSM rates as part of this application.

S.C. Code Ann. § 58-37-20 authorizes the Commission to adopt procedures that encourage electrical utilities to invest in cost-effective energy efficient technologies and energy conservation programs and, if adopted, to provide incentives and cost recovery for those utilities who invest in cost-effective and environmentally acceptable programs to reduce energy consumption or demand. This statute allows energy suppliers and distributors to recover costs and obtain a reasonable rate of return on their investment in qualified DSM Programs sufficient to make these programs at least as financially attractive as construction of new generating facilities and directs the Commission to establish rates and charges that ensure that the net income of an electrical utility after implementation of specific cost-effective energy conservation measures is at least as high as the net income would have been if the measures had not been implemented.

The Company states that the proposed suite of DSM Programs is reasonably practicable for the Company to implement and for customer participation, technically and economically justified, and has a reasonable likelihood of providing savings to customers and the system. As part of its proposed suite of DSM Programs, and with certain modifications, SCE&G has proposed continuing the option for qualifying large commercial and industrial customers to "opt-out" of the DSM rider subject to certain terms and conditions, and also has proposed continuing the existing "opt-outs" in effect.

SCE&G's proposed DSM rider maintains the same cost recovery, net lost margin revenue, and shared savings incentive mechanisms presently in place, which will allow SCE&G to recover: (1) all reasonable and prudent costs incurred in developing, implementing, and administering its DSM Programs, amortized over five years with unrecovered balances bearing carrying costs at the Company's weighted average cost of capital; (2) SCE&G's net lost margin revenue reflecting the projected reduction in demand charges and megawatt hour ("MWH") sales that are calculated to occur as a result of customer participation in each DSM program; and (3) a shared savings incentive equal to 6% of the estimated net benefits of each energy efficiency program, which provides customers with 94% of the program net benefits, to be amortized over five years without interest or carrying costs added to the calculation of the Company's annual rider. SCE&G requests that the proposed DSM rider be made effective December 1, 2013, and

subject to review and adjustment annually thereafter based upon an annual review period of December 1<sup>st</sup> through November 30<sup>th</sup>.

The proposed DSM rider contains no changes to current rates under the currently effective DSM rider.

A copy of the Company's complete filing, as well as the proposed tariff may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk's Office, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the Petition is available on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov) and is available from the corporate office of South Carolina Electric & Gas Company at 220 Operation Way, Cayce, South Carolina 29033.

A public hearing, if scheduled, will be held in Columbia, South Carolina in the offices of the Commission at the above address, for the purpose of receiving testimony and other evidence from all interested parties regarding this Application. The time and date of any scheduled hearing will be furnished to all interested parties at a later date.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **July 8, 2013**, and indicate the amount of time required for the presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2013-208-E.***

Any person who wishes to testify and present evidence at the hearing should notify the Clerk's Office, in writing, at the address below; the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and K. Chad Burgess, Associate General Counsel, South Carolina Electric & Gas Company, 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033, on or before **July 8, 2013**, and indicate the amount of time required for the presentation. ***Please refer to Docket No. 2013-208-E.***

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Clerk's Office, in writing, at the address below on or before **July 8, 2013**. ***Please refer to Docket No. 2013-208-E.***

Persons seeking information about the Commission's Rules of Practice and Procedure should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina  
Clerk's Office  
Post Office Drawer 11649  
Columbia, SC 29211